



U.S. Department of Housing and Urban Development

Denver Field Contracting
Operations
633 - 17th Street
Denver, CO 80202-3607

<http://www.hud.gov/cts/ctsdn.html>

July 14, 2000

Office of the Chief Procurement Officer

THIS IS A 100% TOTAL SMALL BUSINESS SET-ASIDE

Dear Prospective Offeror:

The enclosed Request for Proposal (RFP) R-DEN-01135 is for the purpose of acquiring Post Endorsement Technical Reviews for the HUD Santa Ana Homeownership Center.

The solicitation consists of four parts, Part I, II, and III will constitute the contract document(s) anticipated as being awarded as a result of this solicitation. Part IV contains instructions and forms for submission of proposals:

Section K provides the forms to be completed and submitted with your proposal; Section L provides instructions concerning submission of proposals; and Section M describes the basis for proposal evaluation and contract award.

If you would like to compete for this contract, please submit a proposal in accordance with Section L of the RFP. Submit your proposal to the address specified in Block 7 of the enclosed SF-33 by the deadline set forth in Block 9 of the SF-33. HUD will not accept proposals via fax machine. HUD will evaluate your proposal and decide whether you will be selected as a contractor.

There will be a pre-proposal conference held in the HUD Santa Ana, CA office on July 28, 2000 at 10:00 a.m. If you plan to attend this conference, please fax the names of those who will attend to (714) 796-5518, attn: Penny Schell, no later than July 26, 2000. Upon arrival, all attendees should report directly to HUD's main reception area on the 4th floor; the location of the conference room will be available at that time.

SOLICITATION, OFFER AND AWARD		1. THIS CONTRACT IS A RATED) ORDER UNDER DPAS (15 CFR 700)		RATING		PAGE 1		OF 30 PAGES	
2. CONTRACT NO.		3. SOLICITATION NO. R-DEN-01135		4. TYPE OF SOLICITATION SEALED BID (IFB) x NEGOTIATED (RFP)		5. DATE ISSUED 07-14-00		6. REQUISITION/PURCHASE NO R-2000-8AN-00079	
7. ISSUED BY: U.S. Department of Housing & Urban Development Denver Field Contracting Operations, 8ANC 633 17th St., Denver, CO 80202-3607				8. ADDRESS OFFER TO (If other than Item 7)					

NOTE: In sealed bid solicitations, "offer" and "Offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and 3 copies for furnishing the supplies or services in the schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in 633 17TH Street, 14th Floor Denver, CO 80202		until 2:30 p.m. local time 08-14-00 mountain daylight saving time (Hour)		(Date)	
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CAUTION - LATE Submissions, Modifications, and Withdrawals: Section L, Provision No. 52.214-7 or 52.215-1.
All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:		A. NAME Donna L. Mylius		B. TELEPHONE NO. (Include area code) (NO COLLECT CALLS) (303) 672-5281			
11. TABLE OF CONTENTS							
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OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provision at 52.214-16, Minimum Bid Acceptance Period								
12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.								
13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)		10	CALENDAR DAYS	20	CALENDAR DAYS	30	CALENDAR DAYS	CALENDAR DAYS
			%		%		%	%
14. ACKNOWLEDGEMENT OF AMENDMENTS (The offeror acknowledges receipt of the amendments to the SOLICITATION for offerors and related documents numbered and dated:		AMENDMENT NO.		DATE		AMENDMENT NO.		DATE
15A. NAME AND ADDRESS OF OFFEROR		CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)				
15B. TELEPHONE NO. (Include area code)		15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE		17. SIGNATURE		18. OFFER DATE		

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED		20. AMOUNT		21. ACCOUNTING AND APPROPRIATION	
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION <input type="checkbox"/> 10 U.S.C.2304 (c) () <input type="checkbox"/> 41 U.S.C. 253 (c) ()		23. SUBMIT INVOICES TO ADDRESS SHOWN IN G.3 (4 copies unless otherwise specified)		ITEM	
24. ADMINISTERED BY (If other than Item 7)		CODE		25. PAYMENT WILL BE MADE BY DEPARTMENT OF HOUSING & URBAN DEVELOPMENT CASH MANAGEMENT & INVESTMENT STAFF P.O. BOX 44815 WASHINGTON, DC 20026	
26. NAME OF CONTRACTING OFFICER (Type or print) Gay E. Julian		27. UNITED STATES OF AMERICA (Signature of Contracting Officer)		28. AWARD DATE	

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official notice.

PART I - THE SCHEDULE

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 SERVICES

The contractor shall perform post endorsement technical reviews in three (3) geographical areas for the Santa Ana, CA Homeownership Center (HOC) of HUD.

B.2 GEOGRAPHIC AREA(S)

Workload is assigned by geographic areas as shown below:

AREA #1	AREA #2	AREA #3
Anchorage	Fresno	Las Vegas
Boise	Honolulu	Phoenix
Los Angeles	Portland	Sacramento
San Diego	Reno	San Francisco
Seattle	Santa Ana	Tucson
Spokane		

HUD reserves the right to revise the locations in the areas when in the best interest of the Department in accordance with the change clause of this contract.

B.3 PRICE SCHEDULE

As total complete compensation for all services performed in accordance with task orders issued hereunder, the contractor will be paid according to the Contract Line Item Number (CLIN) prices listed below for performing post endorsement technical reviews.

AREA #1 Anchorage, Boise, Los Angeles, San Diego, Seattle, Spokane

CONTRACT LINE ITEM NUMBER	PERFORMANCE PERIOD	UNIT	MINIMUM	MAXIMUM	ESTIMATE	UNIT PRICE
CLIN 0001	Base Year	EA.	900	15,000	10,000	
CLIN 0002	Option Year 1	EA.	900	15,000	10,000	
CLIN 0003	Option Year 2	EA.	900	15,000	10,000	
CLIN 0004	Option Year 3	EA.	900	15,000	10,000	
CLIN 0005	Option Year 4	EA.	900	15,000	10,000	

AREA #2 Fresno, Honolulu, Portland, Reno, Santa Ana

CONTRACT LINE ITEM NUMBER	PERFORMANCE PERIOD	UNIT	MINIMUM	MAXIMUM	ESTIMATE	UNIT PRICE
CLIN 0006	Base Year	EA.	900	15,000	10,000	
CLIN 0007	Option Year 1	EA.	900	15,000	10,000	
CLIN 0008	Option Year 2	EA.	900	15,000	10,000	
CLIN 0009	Option Year 3	EA.	900	15,000	10,000	
CLIN 0010	Option Year 4	EA.	900	15,000	10,000	

AREA #3 Las Vegas, Phoenix, Sacramento, San Francisco, Tucson

CONTRACT LINE ITEM NUMBER	PERFORMANCE PERIOD	UNIT	MINIMUM	MAXIMUM	ESTIMATE	UNIT PRICE
CLIN 0011	Base Year	EA.	900	15,000	10,000	
CLIN 0012	Option Year 1	EA.	900	15,000	10,000	
CLIN 0013	Option Year 2	EA.	900	15,000	10,000	
CLIN 0014	Option Year 3	EA.	900	15,000	10,000	
CLIN 0015	Option Year 4	EA.	900	15,000	10,000	

SECTION C - STATEMENT OF WORK

C.1 SCOPE

The contractor shall perform detailed post endorsement technical reviews on an as needed basis of the Closing Package, A & E package, Appraisal/Valuation and Mortgage Credit documents for single family one to four (1-4) unit properties on loans submitted to the Santa Ana Homeownership Center (HOC).

C.2 DEFINITIONS:

1. AUS: Automated Underwriting Systems. Currently only three (3) AUS are approved for FHA underwriting.

FreddieMac's Loan Prospector: ZLPR Chums #
FannieMae's Desk Top Underwriter: ZDUN Chums #.
PMIAura: ZPMI Chums #.
(Contractor is advised that additional automated systems are being developed and may be used for underwriting and approval of FHA loans.)
2. AUS USER GUIDES: Handbooks published by each individual AUS provider explaining the waivers and documentation requirements that may vary from established HUD Underwriting Guidelines. The use of AUS provides a Lender with automatic waivers for certain traditionally required documentation and standards. (AUS "FHA DOCUMENTATION MATRIX for APPROVED AUTOMATED UNDERWRITING SYSTEMS" (Section J, Attachment 1). This matrix is provided for informational purposes only. Offeror is advised that these guidelines are subject to changes and revisions.)
3. AUS REPORT/SUMMARY: A summary or feedback of the information input into the AUS with the "accept" or "refer" decision. This report summary also lists the waivers as well as the required documentation.
4. CAIVRS: The Credit Alert Interactive Voice Response System utilized by HUD for identifying default and claim status for borrowers.
5. CASE BINDER: May be used interchangeably with "file", "loan package", "case" or "binder" and refers to the entire underwriting package of documents on closed loans submitted by the mortgagees to the HOC for the issuance of a Mortgage Insurance Certificate and to the contractor for review.
6. CONTRACTING OFFICER: refers to the person executing and administering this contract on behalf of HUD.
7. CVP: The Comprehensive Valuation Package, consisting of the URAR and Attachments, the Valuations Conditions (HUD 92564-VC) and the Homebuyer Summary (HUD-92564-HS)
8. DAY: refers to any business day from 8:00 a.m. to 4:30 p.m. unless otherwise specified.
9. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT: May be used inter-changeably with "HUD" and "Government."
10. DE: Direct Endorsement an FHA-approved mortgagee underwrites and closes the mortgage loan without prior
11. FHA: Refers to the Federal Housing Administration.

12. GTR: Government Technical Representative appointed in writing by the Contracting Officer.
13. GTM: Government Technical Monitor appointed in writing by the Contracting Officer.
14. HOC: Santa Ana Homeownership Center currently located at:
1600 North Broadway Suite 100, Santa Ana, CA. 92706-3927
15. HOCS: (Plural) Refers to the four (4) single family FHA Homeownership Centers, located in Philadelphia, Atlanta, Denver and Santa Ana.
16. LENDER: May be used to refer to the Direct Endorsement (DE) Underwriter, Appraiser or Mortgagee.
17. MCAW: Mortgage Credit Analysis Worksheet.
18. RATINGS: This term shall apply to the rating system defined in HUD Handbook 4000.4, Rev.-1, Change 1. Paragraphs 4-9(4) through 4-9(E), pages 4-13 and supplemented by rating guides in HUD Handbooks 4155 Rev. 4, CHG 1 and 4145.1, Rev. 2. Also, forms HUD-54118-MCR, HUD-54118-UND, HUD-54118-VAL may be consulted.
19. REFERENCES: Refers to all FHA/HUD Handbooks, Mortgagee Letters, Notices, Circular Letters, Local and National HOC Reference Guides, AUS User Guides, and any pertinent publications, current or future, that apply to loan origination, documentation as well as underwriting criteria, regulations and standards.
20. REO (Real Estate Owned) : Property that was initially insured by HUD and went into foreclosure. The servicing lender has conveyed the property back to HUD.
21. SOW: Statement of Work.
22. UNDERWRITING REPORTS: Refers to Underwriting Report (HUD-54118 (Section J, Attachment 2)), and Direct Endorsement/Post-Endorsement Technical Review Checklist (HUD-54118-MCR(Section J, Attachment 3), HUD-54118-UND (Section J, Attachment 4), and HUD-54118-VAL (Section J, Attachment 5).
23. URAR: Uniform Residential Appraisal Report. (Fannie Mae Form 1004).
24. VOE: Verification of Employment.

C.3 DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

- (a) **SPECIFIC REQUIREMENTS:** The contractor shall perform post endorsement reviews of selected DE cases which have been submitted to the HOC for mortgage insurance. These reviews are to determine the accuracy and the quality of the closing documents, the appraisal and mortgage credit documentation/underwriting as well as to identify the degree of risk, if any, present in each case file insured.

The contractor shall evaluate and rate the case as submitted by the lender to the HOC. The evaluation and rating shall be in accordance with current HUD and Federal references. The review shall include an evaluation of all closing, architectural and engineering, appraisal, and mortgage credit documents submitted in the case binder for insurance.

All individuals performing Appraisal/Valuation reviews shall be appraisers licensed in the state in which they physically perform the review and shall have passed the FHA approved exam. The reviewer shall personally sign each review with their name and license number.

All individuals performing mortgage credit reviews shall have 3 years Underwriting experience and 1 year FHA Underwriting experience in the past 3 years.

(b) RATINGS & REPORTING

- (1) The contractor shall provide a completed Underwriting Report for each case submitted for review. The report shall be typed and provided in Microsoft Word format. A hard copy shall be placed in each case binder and a copy of the Master Rating Log List for each shall be returned in each box. The HOC will provide a floppy disk containing the required computer forms and program. Reports shall be returned to the HOC by floppy disk. (In the future the Contracting Officer will require the contractor to submit reports and forms electronically. In this event, the contractor shall be required to have systems that are compatible and have the capacity to transmit data electronically to the HOC.)

The contractor shall be required to provide the Underwriting Report in the provided computer format and data base with the above referenced capacity and compatibility for transmission to the HOC.

- (2) Contractor shall have a clear understanding of the ratings, rating codes, and their application and use. References for these ratings are given in Item #18 under Definitions. The Contractor shall provide narrative comments on any rating of "FAIR" or "POOR" which clearly defines the deficiencies and shall cite the appropriate paragraph in the references in which the guidance is found. In several scoring fields there are codes for "OTHER" (deficiencies). Contractor shall provide narrative explanations for these codes when used.
- (3) The contractor shall provide constructive comments which could enhance the lender's performance or viewpoints for processing loans, whatever the rating. The contractor shall also make comments which provide directions and constructive suggestions about the lender as a way to provide information for developing continuing education to the lenders.
- (4) In assessing the lender during the review, the contractor shall keep in mind that the lender is expected to make judgmental and justifiable decisions based on all the facts in the loan package.

(c) FULL DETAILED REVIEW:

A Full Detailed Review identifies items for all areas of post technical review. This review includes an analysis of every document in the file and of every area identified below in this SOW. This review will consist of verifying for compliance with the statutory and regulatory requirements of the appropriate section of the National Housing Act.

Contractor shall perform a review of every aspect of underwriting in the file identified in the SOW. Contractor shall be held responsible for reviewing every document in the file and verifying the accuracy of the information as it relates to a Full Detailed Review. Contractor shall only be responsible for the information in the file and need not verify the documentation with outside sources. However, the contractor shall identify items such as: discrepancies between debts on the Uniform Residential Loan Application (URLA) to those on the credit report for all borrowers; income and time employed on the VOE matches the URLA and any other documentation in the file; and that all documents related to asset verification are consistent and in the file. For all levels of review, contractor will complete an underwriting report including recommended ratings. Narrative comments must be made regarding any deficiencies, discrepancies, or ambiguous information in the file.

Sample comments appropriate for underwriting reports are provided (Section J, Attachment #6). Contractor shall provide similar comments as required in both written and electronic format (floppy disk in Microsoft Word format as directed and compatible with HUD software). These comments are provided

for information and example purposes only. Contractor is not restricted to these comments and shall be responsible for creating and providing appropriate comments.

- (d) **REVIEW OF CLOSING DOCUMENTS:** The review of the closing package shall include but is not limited to the items listed in this section. The contractor shall:

- (1) Check the stacking order in the case binder and that the minimum required documentation was included. (Section J, Attachment #7)

- (2) Check the following items to determine all the necessary closing documents have been submitted, are in compliance, and are signed where applicable.

- (i) Letter of explanation from mortgagee for any late submission to HUD and any required pay history.
- (ii) Certified copies of the Note, Mortgage or Deed of Trust and all appropriate riders (Allonges).
 - (A) Verify that the property address on the Note and Mortgage or Deed of Trust is consistent with the address on the Application, Firm Commitment and Appraisal. Also, verify the documents contain the appropriate language required by HUD and any applicable state laws.
 - (B) Verify the mortgage amount on the Note, Deed of Trust or Mortgage and line 202 of the Settlement Statement HUD-1 is consistent with the Firm Commitment or DE approval.
- (iii) Uniform Residential Loan Application (URLA) and the HUD-92900-A.
- (iv) HUD-1 or like settlement statement.
 - (A) The earnest money credited to the borrower is the same amount paid pursuant to the sales contract.
 - (B) Identify borrower credits, determine if those credits are itemized and if these credits would have caused a lower insured loan amount to be used compared to the loan amount on Line 202 of the HUD-1.
 - (C) Verify that the closing costs paid by the borrower are reasonable and customary as determined by the HOC (and that they are an accurate reflection of the costs necessary to close the loan). Determine that the borrower has not been charged unallowable closing costs. Contractor is responsible for maintaining information regarding allowable/non-allowable closing costs.
 - (D) Determine that the sales price and the mortgage amount on the HUD-1 reflect the same amount shown on the MCAW.
 - (E) Verify that Borrower(s) made the 3% cash investment required by statute and check that only allowable fees are included in these calculations.
 - (F) Verify that any secondary financing credited on the HUD-1 was properly reflected in calculating the maximum mortgage and the ratios on the MCAW; and, that the proper closing documents for this financing are included in the loan package. (**RATIOS ARE NOT CONSIDERED IN AUS*)
- (v) HUD-92900-A pages 3 and 4, Firm Commitment.
- (vi) Other documents as necessary, depending on program and construction type (First Time Home Buyer's Certification, Sales Contract, HUD 92564-CN, etc.)

- (3) Verify that both the mortgagee and mortgagor have signed the HUD-92900-A. Review the Firm Commitment or DE approval for mortgagee and mortgagor certification to verify that the commitment has not expired.

- (4) Check for underwriter's signature and the Computerized Homes Underwriting Management System (CHUMS) identification number on the HUD-92900-A page 3 and the HUD-92900-PUR(WS). Contractor shall verify that signatures on these forms are correct for any AUS submitted cases according to the User Guidelines for each system.
 - (5) Verify that the Home Buyers Summary (HUD-92564-HS) was signed 5 days prior to loan closing or the required waiver documents have been included.
 - (6) Perform Miscellaneous: (References below refer to paragraphs in HUD Handbook, 4155.1, REV 4, Chg.1.)
 - (i) Pay particular attention to the definition of principal residence as stated in paragraph 1-2 and that this requirement has been complied with in the case file.
 - (ii) Whenever a case file has non-occupying co-borrowers, requirements outlined in paragraph 1-8B and 2-2A&B must be met.
 - (iii) Ensure any possible contingent liability on properties sold within the last 12 months is addressed. Exceptions to contingent liability are listed in paragraph 2-11B 2. Source documents that can be used to verify this are the credit report, divorce decrees, the URLA's information on former addresses and line #22 on Part IV of the HUD-92900-A.
 - (iv) Check that any and all applicable documents required in Chapter 3 of Handbook 4155.1 and subsequent Mortgagee Letters are contained in the case binder.
 - (A) Verify that the commitment did not expire before the case was underwritten.
 - (B) Verify that the dates on the credit report, VOE and VOD (Verification of deposit) are not older than 120 calendar days (180 for new construction) prior to the settlement date on the HUD-1.
 - (C) Shall identify any inconsistencies noted between the closing documents and other loan documents as a finding, such as: the property address on the Note and Mortgage is different from the address listed on the URLA or the URAR; the approved loan amount on the HUD-92900-A, page 3 is different than the amount shown on the closing documents; and, that the applicants named on the HUD-92900-A, page 1 are the borrowers named on the HUD-1 and the Note.
- (e) REVIEW OF UNDERWRITER/ARCHITECTURE & ENGINEERING PACKAGE (A & E)
- An A & E review is required on all new construction of 1 to 4 family properties, manufactured housing, and substantial rehabilitation (203K) loans. New construction status is defined as loans processed as proposed, under construction, and existing less than one year old never been occupied. Approximately 10% of all reviews are for these types of construction status. This figure is just an estimate and presented for informational purposes only.
- (1) On all high ratio loans (greater than 90% LTV(Loan to Value)) for new construction, the file must contain, but is not limited to, the following documents. (See Mortgagee Letter 95-11):
 - (i) HUD-92541 (Builder Certification of Plans, Specification, and Site)
 - (ii) HUD-92544 (Warranty of Completion of Construction).
 - (iii) NPCA-99a form (Subterranean Termite Treatment Builder's Certification and Guarantee), for properties in Arizona, California, Hawaii, and Nevada. If a soil treatment is applied as identified on the NPCA-99a, form NPCA-99b (New Construction Soil Treatment Record) is required.

- (iv) Inspections
 - (A) Proposed -
All 3 FHA Fee Inspections (HUD-92051), or, All 3 Local Building Authority Inspections in those Municipalities approved by HUD, or, Final FHA Fee Inspection (HUD-92051) with HUD accepted 10-year warranty.
 - (B) Under Construction -
Final Inspection by FHA Fee Inspector (HUD-92051) with HUD accepted 10-year warranty, or, All 3 Local Building Authority Inspections in those Municipalities approved by HUD with HUD accepted 10-year warranty.
 - (C) Existing Less than 1-Year Old -
Final Inspection by FHA Fee Inspector (HUD-92051) with HUD accepted 10-year warranty. If Property 100% complete at time appraisal, the URAR may serve as Final Inspection (Chapter 6 of Handbook 4145.1 Rev 2) with HUD accepted 10-year warranty.
 - (v) 10-Year Warranty - HUD-approved, 10-year warranty required for loans processed as Under Construction, and Existing less than 1-year old, with the exception of Early Start Letter (see item (5) below). Evidence of the acceptance from the warranty provider must be in file. At this time, only Residential Warranty Corporation (RWC) and Professional Warranty Service Corporation (PWD) applications are acceptable without further documentation.
 - (vi) HUD-92051 (Compliance Inspection Report(s)) to determine that all required inspections have been performed, and that the Inspector and the DE Underwriter have properly completed and signed the Inspection reports as specified in Chapter 4 of the HUD Handbook 4145.1 REV 2, including color photos of each diagonally opposite front and rear corners of the house reflecting adequate grading and drainage of the site, or certificate of occupancy has been issued for the property in those areas where HUD accepts the local authority inspection for all construction phases.
- (2) For Low Ratio Loans (90% or Less) processed as Under Construction, and Existing Less than 1-year-old, HUD only requires a final inspection and only in the states of AZ, CA, HI, NV, appropriate Termite Clearance (NPCA-99a and NPCA 99b). HUD does NOT require the following construction documents for a low ratio loan:
- (i) HUD-92541 Builders Certification of Plans, Specifications, and Site.
 - (ii) HUD-92522 Warranty of Completion of Construction.
 - (iii) 10-Year Warranty
- (3) Master Appraisal Reports (MARs) Required Documents
- (i) HUD-92541, Builders Certification of Plans, Specifications and Site
 - (ii) HUD-92544, Warranty of Completion of Construction
 - (iii) HUD-91322, Complete Copy of the Master Appraisal Report
 - (iv) HUD-91322.1, Attachment #1 to MAR, if applicable
 - (v) HUD-91322.2, Amendment to MAR, if applicable
 - (vi) HUD-91322.3, Statement of Appraised Value
 - (vii) Compliance to all Specific Commitment Conditions listed on the MAR
- (4) Master Certificate of Reasonable Value (MCRV) Required Documents
- (i) HUD-92541, Builders Certification of Plans, Specifications, and Site
 - (ii) HUD-92544, Warranty of Completion of Construction
 - (iii) VA-26-1843a, Complete Copy of the MCRV, and all amendments, if applicable
 - (iv) VA-26-1839, Comply with all VA Inspections, or 1st & 2nd by Local Authority and VA Final Inspection as stated on the MCRV

(v) Compliance with all conditions listed on the MCRV

(5) Early Start Letters: This procedure is appropriate to assist builders with starting construction prior to the completion of the appraisal and issuance of the conditional commitment (HUD-92800.5B). The following conditions must be complied with to obtain a high ratio loan:

- (i) Early Start Letter, including case number;
- (ii) Verify appraisal date and Conditional Commitment date are earlier than framing inspection date; and
- (iii) If construction started prior to appraisal or conditions of the Early Start Letter not complied with, then a 10-year warranty is required.

(6) Manufactured Homes

(i) Proposed Construction

- (A) HUD-92541, Builders Certification of Plans and Specifications, and Site;
- (B) HUD-92544, Warranty of Completion of Construction;
- (C) HUD-92051, two inspections (Initial and Final) by FHA Fee Inspector;
- (D) Engineer's Certification that the home will be on a permanent foundation per the plans and specifications, that meet HUD's "Permanent Foundations Guide for Manufactured Homes dated September 1996";
- (E) NPCA-99a, Subterranean Termite Treatment Builders Certification and Guarantee (States of AZ, CA, HI, NV); and
- (F) NPCA-99b, New Construction Subterranean Termite Soil Treatment Record (States of AZ, CA, HI, NV).

(ii) Under Construction and Existing Less than 1 year old

- (A) HUD-92541, Builders Certification of Plans and Specifications, and Site;
- (B) HUD-92544, Warranty of Completion of Construction;
- (C) HUD-92051, Final Inspection by FHA Fee Inspection;
- (D) HUD-Approved 10-Year Warranty;
- (E) Engineer's Certification that the home is on a permanent foundation that meets HUD's "Permanent Foundation Guide for Manufactured Homes dated September 1996";
- (F) NPCA-99a, Subterranean Termite Treatment Builders Certification and Guarantee (States of AZ, CA, HI, NV) if a soil treatment is applied as identified on the NPCA-99a form and
- (G) NPCA-99b, New Construction Subterranean Termite Soil Treatment Record (States of AZ, CA, HI, NV).

(7) 203(k) Rehabilitation Program Required documents:

- (i) Work Write-up with Cost Estimates,
- (ii) Plans and Specifications for any major structural additions/modifications, and
- (iii) Minimum of \$5000 allocated for rehabilitation of the property as defined in HUD Handbook 4240.4 REV2 and Mortgagee Letters 94-11 and 95-40.

(f) REVIEW OF APPRAISER (Comprehensive Valuation Package)

A review of the Appraiser and the Comprehensive Valuation Package (CVP) constitutes a critical element of the insuring package. The valuation conclusion is a primary element in determining the eligibility of the property and the maximum mortgage amount allowed in accordance with HUD Guidelines.

A detailed review of the CVP shall be performed to determine if the appraisal package is complete, accurate, adjustments reasonable, and the final value supported by the data presented, with appropriate repair conditions identified.

Contractor shall analyze the CVP to ensure that the appraiser is in conformance with HUD Policies, Procedures and Guidelines included but not limited to the following Handbooks and Mortgagee Letters:

- Handbook 4150.2 - Valuation Analysis, and those sections of Handbook 4150.1 Rev 1 identified in the Transmittal Letter of Handbook 4150.2 dated July 1, 1999.
- Handbook 4905.1 Rev-1 - Minimum Property Standards.
- Handbook 4145.1 Rev-2 - Architectural Processing.
- Frequently Asked Questions (FAQ's) available on REAC's website.
- Updates/Clarifications - including Mortgagee Letters existing and subsequent, issued by HUD.

The CVP is comprised of three parts as identified in Mortgagee Letter 99-18. Part one is the Uniform Residential Appraisal Report (URAR), part two is the Valuation Conditions (VC-Sheet)- Notice to Lender, and part three is the Homebuyer Summary- Notice to Homebuyer.

(1) Part 1 of the CVP-The Appraisal Package.

(i) The Appraisal Package will contain the following documents and exhibits:

- (A) URAR-FNMA 1004. HUD will also accept the FNMA 1025-Small Residential Income Property Appraisal Report for 2 to 4 unit properties, and FNMA 1073-Individual Condominium Appraisal Report, when applicable (Mortgagee Letter 97-22, dated May 20, 1997).
- (B) Addendum to Appraisal Report with supporting documentation, when applicable.
- (C) Location map identifying location of subject and comparable properties.
- (D) Sketch of subject floor plan with interior room locations identified.
- (E) Good, clear photographs of the subject property depicting the front, rear, sides, and street scene including all improvements on the subject property with any contributory value. A photograph of the front of each comparable property.
- (F) Cost Approach for all single family/Planned Unit Development units that are proposed, under construction, and new less than one year old.
- (G) A separate Gross Rent Multiplier analysis for 3 & 4 unit properties or

FNMA 1025.

- (H) Appraiser Certification and Statement of Limiting Conditions.
- (ii) The Appraisal Report. The appraisal report should be complete, accurate, and contain all data necessary to support the appraiser's conclusions. Line adjustments to the grid should be reasonable, consistent and present a logical conclusion in conformance with HUD guidelines. Any deviation from the guidelines needs to be explained and supported. Below are some critical areas of importance:
 - (A) Comparable sales should not exceed six months between the date of the appraisal and the sale date of the comparable, and must not exceed twelve months. An explanation is required for sales dates in excess of six months.
 - (B) Distance between comparable and subject should not exceed one mile. An explanation is required for distances greater than one (1) mile.
 - (C) Sales or financing concessions and time adjustments must be thoroughly explained.
 - (D) Excessive adjustments should be fully supported. An individual line item adjustment should not exceed +/- 10% and the total adjustments to the comparable should not exceed 15% net and 25% gross of the sales price of the comparable.
 - (E) Adjustments that are subjective, such as for location, site/view, design/appeal, and condition must be explained.
 - (F) In selecting comparables, the "Bracketing" method should be used. Ideally, one comparable should be a little larger, another a little smaller, and the third should be approximately the same size. The adjusted sales price of the comparable should bracket the subjects final value.
 - (G) An Indicated Value by Income Approach is required for properties containing 3 and 4 units only, and must include estimated market rent and gross rent multiplier.
 - (H) Appraisals performed on manufactured homes must meet the criteria in Chapter of the 4150.2 Handbook, and Chapter 3 of the 4145.1 REV 2 Handbook.
- (2) Part 2 of the Comprehensive Valuation Package: Valuation Conditions/Notice to the Lender (HUD-92564-VC) FHA requires appraisals be prepared "as repaired". The Valuation Condition form simply outlines readily observable conditions of the physical property and improvements at the time of the appraisal. The appraiser will determine if any necessary repairs or replacements are required. These should be limited to repairs commonly referred to as meeting the three S's rule, Salability, Safety, and Security. Salability-to preserve the continued marketability of the property, Safety- to protect the health and safety of the occupants, Security-protect the property securing the FHA insured loan. The contractor shall review the VC Sheet to:
 - (i) ensure the VC Sheet is complete and appropriate repairs items identified.
 - (ii) review an A yes answer to VC-1 Condition may make the property ineligible, a yes to VC-2 through VC-13 can usually be remedied.

- (iii) ensure the VC Sheet is required on all existing properties, including HUD/REO Sales.
 - (iv) ensure the VC Sheet is required for Streamline Refinances with an appraisal that is FHA to FHA rate/term reduction refinance loans, however no repairs are required with the exception of lead based paint repairs. The Lender may require additional repairs.
 - (v) ensure the VC Sheet is not required for properties appraised as proposed, under construction, or properties subject to rehab under the 203K loan program.
- (3) Part 3 of the Comprehensive Valuation Package: Homebuyer Summary/Notice to Homebuyer (HUD-92564-HS) The Homebuyer Summary is prepared by the appraiser, summarizing those conditions, if any, of non-conformity stated on the VC Sheet which require repairs, replacements or compliance verification to meet HUD's minimum property standards. The Lender is responsible for reviewing the Homebuyer Summary and providing this document to the prospective borrower(s):
- (i) The Homebuyers Summary is required on all existing properties, including HUD/REO Sales.
 - (ii) The Homebuyers Summary is not required for properties appraised as proposed, under construction, or properties subject to rehab under the 203K loans program.
 - (iii) Streamline Refinances, that is FHA to FHA rate/term reduction refinances, do not require a Homebuyers Summary be provided to the borrower.

(g) REVIEW OF UNDERWRITER/VALUATION

The Direct Endorsement (DE) Underwriter's review of the Comprehensive Valuation Package (CVP) and all attachments should indicate if the appraiser's conclusions were based upon presented data. The review includes, but is not limited to, the items listed in this section.

- (1) The contractor shall determine whether or not:
 - (i) the conclusions are based upon the presented data in the appraisal package.
 - (ii) the appraisal package is consistent with other similar appraisals.
 - (iii) the appraisal complies with outstanding HUD guidelines.
- (2) When the DE Underwriter makes comments, corrections, or changes the value amount determined by the appraiser, the DE Underwriter should complete HUD-54114 (Direct Endorsement Underwriter/HUD Reviewer Analysis of Appraisal Report), See Mortgagee Letter 91-43. The contractor shall review for inappropriate or unsupported corrections or changes in value which, if found, shall be a finding.
- (3) The contractor shall review the HUD-92800.5B (Conditional Commitment/Direct Endorsement Statement of Appraisal Value) to ensure the document is properly completed, signed and dated by the DE Underwriter, and that the correct value from the appraisal is reflected and the appropriate repairs, replacements or requirements have been conditioned for and properly reported. The contractor shall verify that required repairs pertain to the security of the property, to preservation of the continued marketability (salability) of the property, and to the health and safety of the occupants in accordance with HUD guidelines.
- (4) The contractor shall review the Compliance Inspection Report(s) HUD-92051 and/or the Lender Certifications to determine that all required inspections were performed and these forms have been properly completed and signed.
- (5) The contractor shall review requests and processing documents related to escrow funds for construction and/or repair conditions on proposed and or existing properties,

such as Mortgagee's Assurance of Completion, HUD-92300.

- (6) The contractor shall review the file for Foundation Certification from licensed professional engineer's on Manufactured Housing Properties. DE Lender is required to condition and obtain an Engineer's Certification that the manufactured home is on a permanent foundation that meets HUD's "Permanent Foundation Guide for Manufactured Homes" dated September 1996.
- (7) The contractor shall review the Cost Approach data for all proposed, under construction, and existing less than one year old cases for proper documentation.
- (e) REVIEW OF UNDERWRITER/MORTGAGE CREDIT (M.C.)

The review of the Underwriter/M.C. package shall include evaluating the credit risk of the borrower(s) using the guidelines as found in HUD Handbooks 4155.1, REV-4, CHG-1; 4000.2, REV-2; 4000.4, REV-1, CHG-1, and CHG-2; 4150.2 and other applicable program handbooks. Mortgagee Letters and HOC Circulars/Letters, Homeownership Reference Guide, when available. The review process shall verify the accuracy of the items and calculations found on the MCAW, HUD-92900-PUR (or HUD- 92900-WS for re-finances), as they relate to all other documents in the binder. A written separate analysis by the contractor shall be completed and retained in the case binder for all calculations (add, subtract, multiply, or divide) completed during this review process. This allows the GTR to understand the calculations and thought process involved in the determination of the finding or rating. During the review, emphasis shall be placed on, but not limited to, the following items in this section.

AUS NOTE: Contractor shall be familiar with all the waivers and reduced documentation allowances for a case underwritten with an FHA approved AUS by referring to the relevant User Guides.

- (1) Mortgage Credit Analysis Worksheet (MCAW) (HUD-92900-PUR or HUD-92900-WS, as applicable).
 - (i) Verify the calculation of the maximum mortgage amount under the appropriate Section of the National Housing Act and for the proposed occupancy. The following items will affect the mortgage calculation:
 - (A) the percentage factor used to calculate the loan amount (Mortgagee Letter 98-29),
 - (B) the amount of buyer paid closing costs,
 - (C) seller concessions,
 - (D) maximum allowable mortgage amounts for the subject's geographical area,
 - (E) the MCAW's mortgage basis (11c),
 - (F) HUD property disposition (REO) properties,
 - (G) identity-of-interest transactions,
 - (H) use of secondary financing from governmental agencies and nonprofit organizations,
 - (I) existing properties less than one year old,
 - (J) 203(k) loans,
 - (K) Hawaiian Homeland properties,
 - (L) refinances,
 - (M) EEM Mortgages,
 - (N) if credits from interested parties exceed the actual closing costs and prepaids paid by the borrower,
 - (O) if the property is three or four units.
- (2) Verify the borrower made the 3% statutory minimum investment and the amount of

borrower-paid closing costs in Block 10b of the MCAW reflects the actual closing costs paid by the borrower on the HUD-1. When actual closing costs paid by Borrower are less than those indicated in block 10B of the MCAW, verify that the 3% statutory investment was made.

- (3) AUS Files: must have a copy of the AUS Repor/Summary. Contractor shall verify that the figures used on the AUS summary to rate the loan are accurate and verified and shall document that items (i) thru (vi) below are accurately calculated and verified. Contractor shall verify that the complete AUS report is in each file as appropriate and the appropriate automated underwriting manual/guide is used to review documentation required for that file.

- (i) Loan Amount,
- (ii) Interest Rate,
- (iii) Reserves,
- (v) Debts, and
- (vi) Income.

(NOTE: Contractor shall verify that any documentation not waived by the AUS guidelines such as CAIVRS clearance, maximum loan amount, funds to close, etc. must still be reviewed)

- (4) Verify receipt of gift funds is properly documented and that the file contains verification that any down payment assistance program is HUD-approved. For AUS files, refer to the FHA AUS guidelines for required documentation. Documentation must:

- (i) Track source of funds from a close relative.
- (ii) Track the source of funds from an instrumentality of Government and verify that the program is an approved Down Payment Assistance Program (DAP).
- (iii) Track the source of funds from any other source, such as non-profit agencies. Lender is responsible for ascertaining and certifying that no funds come directly or indirectly from the seller.

- (5) Verify that the closing costs used are allowed are only those that are specifically permitted and are reasonable and customary for the area, and are used as part of the borrowers 3% investment.

- (6) Verify that seller contributions as defined in Handbook 4155.1, REV-4, CHG-1, paragraph 1-7A do not exceed 6% of the property's sales price or that an appropriate reduction to the sales price is reflected on the MCAW in block 11b for contributions in excess of 6%.

- (7) Verify on a refinance that:

- (i) the three (3) loan calculations required on a refinance are correct and the loan amount is based on the lesser of the three (3) calculations. Refer to Handbook 4155.1, REV-4, CHG-1, paragraph 1-11A and Mortgagee Letters 92-14, 96-18, 97-26,
- (ii) costs included in the loan amount are allowed by HUD regulations,
- (iii) the loan payoff amount is verified and correct.

- (8) Assets. Verify the assets required for closing as shown on line 12g and that the assets available for closing as shown on line 12j are correct. Verify that funds to close are

documented in accordance with HUD Handbook 4155.1 REV-4 CHG.1, paragraphs 2-10A through 2-10R. For AUS files, refer to the AUS guidelines for required documentation.

- (9) **Income.** Verify that the gross monthly income as shown on lines 13a through 13f has been correctly documented and calculated. For AUS files, refer to the AUS guidelines for required documentation. Self-employed individuals or loans which contain 1040 tax returns will require special review concerning income calculations per HUD Handbook 4155.1, REV-4, CHG-1, paragraph 2-9.
- (10) **Debts.** Verify that the debts and obligations as shown on line 14d are correct and obligations from all available sources (URLA, credit report, credit union account statements, etc.) are included. Any collection accounts should be addressed by the Lender. Generally a payment should be used or assigned for any collection account unless specifically waived or addressed by the Lender. The payment should be the actual payment borrower is paying or an estimate based on 5% of the account balance. For AUS files, refer to the FHA AUS guidelines for required documentation.
- (11) **Ratios.** (DOES NOT APPLY TO AUS ACCEPT CASES). Verify that the ratios in 16 a through c are acceptable for loan approval. If income or debt calculations are changed during the review process, the ratios need to be recalculated to determine if the loan could still be approved. If the ratios exceed 29/41 or 31/43 (stretch ratios for new construction which meets Council of American Building Officials Standards), acceptable compensating factors need to be listed by the underwriter in the remarks section or enumerated in a memo.
- (12) Check that all items on the MCAW are accurate and complete.
- (13) **CAIVRS.** (CAIVRS) number is listed on the MCAW. If the CAIVR number is anything other than an "A," documentation must be in the case file verifying the borrower's eligibility for an FHA-insured mortgage. Underwriter must have provided documentation in the case file verifying exception and the borrower's eligibility for an FHA-insured mortgage.
- (14) Verify that the GSA procurement "List of Parties Excluded from Federal Procurement and Non-procurement Programs" and the "Limited Denials of Participation" have been checked for all parties to the transaction.
- (15) **Credit Documents.** Review all the credit documents submitted with the application. Examine the credit report to assure that items such as format, repositories used, public records and supplements, are in compliance with Handbook 4155.1, paragraph 2-4. Verify that the borrowers have acceptable credit and that the time frames for bankruptcy and foreclosures have been met. If applicable, in the absence of standard credit information, verify that the DE underwriter has established an acceptable non-traditional credit history. For AUS files, refer to the AUS guidelines for required documentation.
- (16) **Verification of Employment (VOE).** Analyze employment verifications and evidence of income. Verify that income on the MCAW is supported by income documents listed in Handbook 4155.1, REV-4, CHG-1, paragraphs 2-6 through 2-9. Particular attention is to be directed to "red flags" for fraud, such as: discrepancies in information on VOE's as compared to W-2's and pay stubs, no prior year earnings on the VOE, VOE completed same day as ordered, VOE not created, income does not coincide with occupation, borrower changed profession from previous to current employer. For AUS files, refer to AUS guidelines for required documentation.
- (17) **Sales Contract.** Review the sales contract and addendum for sales price and any concessions or contributions. Verify the sales price in Block 10a of the MCAW is correct.

- (18) Social Security Numbers. Borrower must have a Social Security number to secure an FHA insured loan. Verify that the Social Security number listed on the URLA is correct and corresponds to the number on pay stubs, W-2's, tax returns, and credit report. If the borrower is a non-permanent resident alien, the file must contain evidence of the borrower's eligibility to work.
- (19) Documentation: Check that any and all applicable documents required in Chapter 3 of Handbook 4155.1, REV-4, CHG-1, Mortgagee Letter 97-26, and any other documents and criteria distinctive to a particular mortgage insurance program, loan type, or transaction type required by HUD, are contained in the case binder; should:
 - (i) HUD-92900A Underwriter's Certification-consistent with DE requirements and AUS waivers if applicable.
 - (ii) HUD-1 Addendum.
 - (iii) ARM Disclosure Statement.
 - (iv) Buydown Agreement.
 - (v) Copy of Deed of Trust and Note for secondary financing.
 - (vi) Power of Attorney.
 - (vii) Energy Efficient Mortgage Rating Report.
 - (viii) Homebuyer Summary - HUD-92564-HS.
 - (ix) Home Inspection - HUD-92564-CN.
 - (x) Required Certification of Homebuyer Counseling for 1st Time Homebuyers with MIP reductions.
 - (xi) Cost estimate for the contributory value of work for sweat equity.
 - (xii) Evidence of payoff amount from lender on a refinance and netting authorization.
 - (xiii) Leases for newly rented property and 2 years schedule E's for existing rentals.
 - (xiv) Good Faith Estimate.
- (20) Miscellaneous.
 - (i) Review and verify the computations on the HUD-92700 for 203(k) cases, Uniform residential Loan Application (URLA) and HUD-92900-A, HUD-92900-PUR or HUD-92900-WS, and any program specific worksheets for accuracy and compliance with outstanding instructions.
 - (ii) Particular attention should be directed toward the definition of principal residence as stated in paragraph 1-2 of the HUD Handbook 4155.1, REV-4, CHG-1. Verify that the borrowers are eligible for a 2nd high-ratio FHA loan, if applicable; or conversely, check that the Borrowers do NOT have another FHA Loan.
 - (iii) Whenever a case file has non-occupying borrowers, requirements must be met as outlined in paragraphs 1-8B, 2-2 A&B of 4155.1, REV-4, CHG-1.
 - (iv) If the property has three or four units, verify the loan is underwritten in accordance

- with the provisions of Handbook 4155.1, REV-4, CHG-1, paragraph 1-8C and that Borrower has a minimum of 3 months cash reserves after closing.
- (v) Any possible contingent liability on properties sold within the last 12 months must be considered. Exceptions to contingent liability are listed in 4155.1, REV-4, CHG-1 paragraph 2-11B(2).
 - (vi) Verify that any down payment or homeowner assistance program for secondary financing is HUD approved. Evaluate sales by HUD-approved nonprofit organizations to determine if the underwriter submitted documentation substantiating the net profit on a sale by a nonprofit in which a 30% discount was received.
 - (vii) Evaluate all aspects of the mortgage credit documents for possible fraud as outlined on the Mortgage Finance Fraud Warning Signals form (Section J, Attachment # 9) (Any case where fraud might be indicated shall be returned to HUD by contractor with a special notation for further review.)

C.5 ORDERING/WORK ASSIGNMENT

- (a) The Government will assign work to the contractor through the issuance of task orders. Task orders may be issued by written or oral orders, telephone, or fax machine by the Contracting Officer, GTR, or other authorized ordering official. The contractor shall have the cases picked up the following Federal business day at the HUD Santa Ana HOC between the hours of 8:00 a.m. and 4:30 p.m.
- (b) All case binders, reviews, applicable data disks/programs with completed ratings and reviews shall be completed and returned to the HUD office within ten (10) business days of assignment. This includes all selected Quality Control cases and reports, also, all Quality Control Sheets.
- (c) The contractor shall have up to 4 (four) attend a training session at their own expense at the commencement of the contract (not to exceed eight hours) given by the Santa Ana HOC on Direct Endorsement Technical Review procedures, the use and completion of the Underwriting Reports and ratings, electronic forms and transmission and mortgage credit issues. The contractor may elect to continue for up to 2 days of on site reviews, (i.e. contractors shall review cases at the HOC and have HOC staff available for technical support and questions.) This is the only training that will be provided to the contractor.

C.6 OVERSIGHT

(a) CONTRACTOR OVERSIGHT

- (1) Of all the cases sent to the contractor, a minimum of 10% shall be reviewed by the contractor for Quality Control (QC). These QC reviews shall be done by both an experienced DE Underwriter and a state licensed Appraiser for the appropriate sections of the reviews and may not be the same individuals who reviewed the binders. These persons are considered to be key personnel - see Section I, HUDAR clause 2452.237-70, Key Personnel.
- (2) Cases that have been reviewed under this component will be listed by FHA case number on a Quality Control Review Sheet. For each specific case, the contractor's QC reviewers shall indicate whether or not they agree or disagree with the rating given by the original reviewer and include their changes and comments concerning each specific case.
- (3) The Quality Control Review Sheet shall be signed by the DE Underwriter (giving their name and CHUMS ID#) and the Appraiser (giving their name and State License #) who completed the individual reviews, dated and submitted to the GTR. All review data shall be in format that can be transmitted electronically in the future and is compatible with the HOC's systems and the Underwriting Report systems.

- (4) The contractor shall also maintain a quality control system which is designed to prevent and detect errors by file reviewers. A copy of the final QC plan shall be presented to the Contracting Officer and GTR at the post award conference.

(b) GOVERNMENT QUALITY ASSURANCE

- (1) HUD will randomly select a representative sample of the contractor's work for review. These reviews will be used to determine the accuracy, quality and completeness of the contractor's reviews. The GTR will provide feedback to the contractor based on the results of HUD's reviews monthly. The randomly sampled cases will be considered to be a statistical valid sample representative of the contractor's overall performance under the contract.
- (2) HUD has established an Acceptable Performance Level (APL) for this service of 90%. This means that, if the error rate determined through the review of the random sample is 10% or less, the contractor will receive full payment for the services performed for the month reviewed. If the level of acceptable work falls below 90% for the month, then the monthly payment for that month will be reduced by 1 ½ time the percentage of unacceptable work; i.e. if 12% of the work is unacceptable, then payment will be reduced by 18%. All percentages will be rounded to the nearest full percentage point.
- (3) HUD may adjust the number of files reviewed as warranted by the contractors historical error rate, however no price reduction may be made with less than 5% sampling.
- (4) Continual serious performance problem may result in additional contractual remedies, as permitted by contract terms or conditions.
- (5) An error is considered to be a significant mistake or omission, (e.g. rating was changed, significant issue not identified, incorrect reference cited, etc.)
- (6) Additional items may also be cited which do not count as errors for purpose of price reduction, but for which the contractor is responsible for addressing.
- (7) The contract manager may be required to attend performance meetings on a quarterly basis (monthly during the first three months of the contract) with the GTR and Contracting Officer. Except for the first three meetings, the meetings will normally be held by telephone, unless the Contracting Officer determines a need to meet in the Santa Ana HOC. (The first three meetings will likely be held at the Santa Ana HOC.) The Contracting Officer will ensure minutes of the meetings are taken and provided to the contractor, GTR, and Contracting Officer.

SECTION D - PACKAGING AND MARKING

D.1 AS 501 ENVIRONMENTALLY SAFE PACKAGING (NOV 1997)

The contractor shall package non-breakables (reports, proposals, studies, etc.) using environmentally safe packaging materials (e.g., recycled paper). The packaging methods shall be in accordance with the best commercial practices and provide adequate protection during shipping and handling.

D.2 PAYMENT OF POSTAGE AND SHIPPING COSTS

All postage and shipping costs related to the submission of the information (including reports and forms) required by this contract shall be paid for by the contractor. The unit price per inspection specified in Section B is inclusive of all postage, shipping and delivery charges.

D.3 MARKING

All information submitted to the Contracting Officer or GTR/GTM shall clearly indicate the contract number for which the information is being submitted.

SECTION E - INSPECTION AND ACCEPTANCE

E.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE

The following contract pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. FAR 52.252-2 contains the Internet address for electronic access to the full text of a clause.

52.246-4 INSPECTION OF SERVICES-FIXED-PRICE (AUG 1996)

E.2 HUDAR 2452.246-70 INSPECTION AND ACCEPTANCE (APR 1984)

Inspection and acceptance of all work required under this contract shall be performed by the Government Technical Representative (GTR) identified in Section G, paragraph (a), or other individual as designated by the Contracting Officer or GTR/GTM.

E.3 AVAILABILITY AND DISPOSITION OF RECORDS

Throughout the entire life of the contract, the Contracting Officer or duly authorized representative(s), shall have full and free access to the contractor's office, as well as all the books, documents, papers and records of the contractor that are pertinent to activities under the contract, including all those books, documents, papers and records which are needed to determine whether the Department was properly billed. Upon expiration or termination of this contract, the contractor shall, within five (5) working days of notification, provide to the Contracting Officer or his/her duly authorized representative(s), all documents, individual property files, and any unused Government forms related to this contract.

SECTION F - DELIVERIES OR PERFORMANCE

F.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE

The following contract clause pertinent to this section hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an Internet address (if specified) for electronic access to the full text of a clause.

52.242-15	STOP-WORK ORDER	AUG 1989
52.242.17	GOVERNMENT DELAY OF WORK	APR 1984

F.2 CONTRACT PERIOD

Contract performance shall begin on the effective date of the contract and shall continue for a base period of one (1) year. This period may be extended for four (4) additional one-year options.

F.3 AUTHORIZED FEDERAL HOLIDAYS

The Department of Housing and Urban Development observes the following days as holidays:

New Year's Day	Labor Day
Martin Luther King's Birthday	Columbus Day
Presidents Day	Veterans Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

and any other day designated by Federal law, Executive order, or Presidential Proclamation.

SECTION G - CONTRACT ADMINISTRATION DATA

G.1 HUDAR 2452.232-70 PAYMENT SCHEDULE AND INVOICE SUBMISSION (FIXED PRICE) (OCT 1999)

- (a) General. The Government shall pay the Contractor as full compensation for all work required, performed and accepted under this contract, inclusive of all costs and expenses, the firm fixed-price stated on each task order.
- (b) Payment Schedule. Payment of the contract price will be upon completion and acceptance of all work unless a partial payment schedule is included below.
- (c) Submission of Invoices. Invoices shall be submitted in as follows-original to the payment office identified on the award document (e.g., in Block 23 on the SF-33, or elsewhere in the contract) and one copy to the Government Technical Representative. To constitute a proper invoice, the invoice must include all items per FAR clause 52.232-25, "Prompt Payment."
- (d) Contractor Remittance Information. The contractor shall provide the payment office with all information required by FAR clause 52.232-23, "Mandatory Information for Electronic Funds Transfer Payment," 52.232-34, "Optional Information for Electronic Funds Transfer Payment," or other supplement information (contracts for commercial services) as applicable.

G.2 HUDAR 2452.237-73 CONDUCT OF WORK AND TECHNICAL GUIDANCE (OCT 1999)

- (a) The Government Technical Representative (GTR) for liaison with the contractor as to the conduct of work is Ms. C. Penny Schell, or a successor designated in writing by the Contracting Officer. The Contracting Officer will notify the contractor in writing of any change to the current GTR's status or the designation of a successor GTR.
- (b) The GTR will provide guidance to the contractor on the technical performance of the contract. Such guidance shall not be of a nature which:
 - (1) Causes the contractor to perform work outside the scope of the contract;
 - (2) Constitutes a change as defined in FAR 52.243-1;
 - (3) Causes an increase or decrease in the cost of the contract;
 - (4) Alters the period of performance or delivery dates; or,
 - (5) Changes any of the other express terms or conditions of the contract.
- (c) The GTR will issue technical guidance in writing or, if issued orally, he/she will confirm such direction in writing within five calendar days after oral issuance. The GTR may issue such guidance via telephone facsimile or electronic mail.

G.3 INVOICE DUE DATE AND REQUIREMENTS

- (a) On the 10th calendar day of each month, submit an invoice for the work completed for the previous month to GTR and a copy to Contracting Officer. The contractor shall submit an original and one (1) copy of the SF-1034, Public Voucher for Purchases and Services other Than Personal to:

U.S. Department of Housing and Urban Development
Processing and Underwriting Division
1600 N. Broadway
Santa Ana, CA 92706-3927
Attn: C. Penny Schell

and one copy to the Contracting Officer at:

U.S. Department of Housing and Urban Development
Denver Contracting Division
633 17th St., 8th Floor
Denver, CO 80202
Attn: Nancy Paulette

- (b) To constitute a proper invoice, the invoice must include the following information and/or attached documentation:
- (1) Contractor's name, telephone number, and address;
 - (2) Payee account number (Federal Tax ID Number);
 - (3) Invoice number and date;
 - (4) Accounting Billing number referenced in Block 9 of the OF-347;
 - (5) Service description and geographic area;
 - (6) Unit price, quantity, and total amount for the billing;
 - (7) Original signature of contractor.
- (c) Where there are erasures or alterations on an invoice, evidence is required that the alteration was made with the knowledge of the payee. The payee must initial each alteration. Where the payee is a partnership or corporation, the signature (not initials) of the person altering or correcting the invoice and the official capacity with the partnership of corporation must be shown. The initials or signature of the payee must be written in permanent ink.
- (d) The GTR will ascertain if any reduction are warranted due to the failure to achieve the 90% performance standards. If no deduction is warranted, the GTR will process the invoice and provide a copy of the acceptance to the Contracting Officer. If a payment reduction is warranted, the GTR will provide a determination and supporting documents to the Contracting Officer in sufficient time to process the invoice. Only the Contracting Officer can reduce the amount of an invoice to be paid.

G.4 AS 1102 ORDERING PROCEDURES (FEB 2000)

- (a) Orders issued under this contract may be placed via telephone, facsimile (fax) machine, or electronic mail (email). Telephone, fax, or email orders will be confirmed by an original written order within 7 calendar days.
- (b) In addition to the Contracting Officer, the following individual is authorized to issue orders under this contract:

Penny Schell

- G.5 Confirmation of Ordered Cases. Concurrent with submission of deliverables to the GTR/GTM, the contractor shall provide to the Contracting Officer a letter clearly delineating cases assigned for the period, cases assigned up through the period to date and remaining balance of the maximum cases to be assigned.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 AS 1310 ADP VIRUS SECURITY (NOV 1997)

The contractor hereby agrees to make every reasonable effort to deliver ADP-related products to HUD as virus-free. For any hardware, software, or any product provided outright by diskette under this contract, the contractor shall provide the following certification concurrent with delivery of the product:

“The product hereby delivered has been scanned for known viruses using [name of virus-screening product, including version number, if any] and is free of known viruses at the time of submission.”

The certification shall be made by an individual authorized to bind the contractor. The software tool and process must be capable of detecting all known viruses. The Contracting Officer may assess monetary damages against the contractor sufficient to compensate HUD for actual or estimated costs resulting from computer virus damage or malicious destruction of computer information arising from failure to take adequate precautions to preclude delivery of virus-containing products in the delivery of hardware, software, or data on diskettes under this contract. This clause shall not surrogate the rights of the government under any other clauses.

H.2 CRIMINAL LIABILITY

It is understood that disclosure of information relating to the work or services hereunder to any person not entitled to receive it, or failure to safeguard any classified information as defined in Executive Order Number 116523 that may come to the contractor or any person under the contractor's contract in connection with the work under this contract, may subject the contractor, his agents or employees to criminal liability under Title 18, Section 793, 794, and 798 of the United States Code.

H.3 ADDITIONAL RESPONSIBILITIES

The contractor shall take proper health and safety precautions to protect workers, the public and the property of others. The contractor shall, without additional expense to the Government, obtain any necessary licenses, insurance, certifications and permits required in the performance of the contract and comply with any federal, city, state, county and municipal laws, codes and regulations applicable to the performance under contract. The contractor shall ensure that these additional responsibilities apply to all subcontractors.

H.4 CONFLICTS OF INTEREST

The contractor shall not review cases from any mortgage company which employs the Contractor, or any of the Contractor's employees or immediate relatives, or for which the Contractor performs consulting services. Should Contractor be assigned any cases which result in an actual or potential conflict of interest, the Contractor shall take no action on the case, but shall refer it immediately to the GTR for reassignment. Violation of this clause is grounds for termination for default and denial of all payments.

PART II - CONTRACT CLAUSES

SECTION I - CONTRACT CLAUSES

I.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an Internet address (if specified) for electronic access to the full text of a clause.

52.202-1	Definitions	OCT 1995
52.203-3	Gratuities	APR 1984
52.203-5	Covenant Against Contingent Fees	APR 1984
52.203-6	Restrictions on Subcontractor Sales to the Government	JUL 1995
52.203-7	Anti-Kickback Procedures	JUL 1995
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 1997
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	JAN 1997
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	JUN 1997
52.204-4	Printing/Copying Double-Sided on Recycled Paper	JUN 1996
52.209-6	Protecting the Government's Interest When Subcontracting With Contractor Debarred, Suspended, or Proposed for Debarment	JUL 1995
52.215-2	Audit and Records - Negotiation	JUN 1999
52.215-8	Order of Precedence-Uniform Contract Format	OCT 1997
52.219-6	Notice of Total Small Business Set-Aside	JUL 1996
52.219-8	Utilization of Small Business Concerns	OCT 1999
52.219-9	Small Business Subcontracting Plan	OCT 1999
52.219-14	Limitations on Subcontracting	DEC 1996
52.219-16	Liquidated Damages - Subcontracting Plan	JAN 1999
52.222-1	Notice to the Government of Labor Disputes	FEB 1997
52.222-3	Convict Labor	AUG 1996
52.222-21	Prohibition of Segregated Facilities	FEB 1999
52.222-26	Equal Opportunity	FEB 1999
52.222-35	Affirmation Action for Disabled Veterans and Veterans of the Vietnam Era	APR 1998
52.222-36	Affirmative Action for Workers with Disabilities	JUN 1998
52.222-37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era	JAN 1999
52.223-6	Drug-Free Workplace	JAN 1997
52.223-14	Toxic Chemical Release Reporting	OCT 1996
52.227-1	Authorization and Consent	JUL 1995
52.229-3	Federal, State, and Local Taxes	JAN 1991
52.229-5	Taxes-Contracts Performed in U.S. Possessions or Puerto Rico	APR 1984
52.232-1	Payments	APR 1984
52.232-8	Discounts for Prompt Payment	MAY 1997
52.232-11	Extras	APR 1984

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52.232-17	Interest	JUN 1996
52.232-18	Availability of Funds	APR 1984
52.232-23	Assignment of Claims	JAN 1986
52.232-25	Prompt Payment	JUN 1997
52.232-33	Payment by Electronic Funds Transfer-Central Contractor Registration	MAY 1999
52.233-1	Disputes	DEC 1998
	Alternate I	DEC 1991
52.233-3	Protest After Award	AUG 1996
52.237-3	Continuity of Services	JAN 1991
52.242-13	Bankruptcy	JUL 1995
52.243-1	Changes-Fixed Price	AUG 1987
	Alternate I	APR 1984
52.244-6	Subcontractors for Commercial Items and Commercial Components	OCT 1998
52.245-1	Property Records	APR 1984
52.246-25	Limitation of Liability-Services	FEB 1997
52.249-4	Termination for Convenience of Government (Services) (Short Form)	APR 1984
52.249-8	Default (Fixed-Price Supply and Service)	APR 1984
52.253-1	Computer Generated Forms	JAN 1991
2452.203-70	Prohibition Against the Use of Federal Employees	DEC 1992
2452.209-72	Organizational Conflicts of Interest	APR 1984
2452.222-70	Accessibility of Meeting, Conferences and Seminars to Persons with Disabilities	JUL 1988
2452.237-71	Reproduction of Reports	APR 1984
2452.239-70	Background Investigations for Sensitive Automated Systems/Applications	OCT 1999

I.2 CLAUSES INCORPORATED IN FULL TEXT

52.216-18 ORDERING (OCT 1995)

- (a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule. Such orders may be issued from contract award through contract expiration.
- (b) All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.
- (c) If mailed, a delivery order or task order is considered "issued" when the Government deposits the orders in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods only if authorized in the Schedule.

52.216-19 ORDER LIMITATIONS (OCT 1995)

- (a) Minimum order. When the Government requires supplies or services covered by this contract in an amount less than one (1), the Government is not obligated to purchase, nor is the contractor obligated to furnish, those supplies or services under the contract.
- (b) Maximum order. The Contractor is not obligated to honor:
 - (1) Any order for single item in excess of 288 reviews per week:
 - (2) Any order for a combination of items in excess of 1250 reviews per month; or

- (3) A series of orders from the same ordering office within 30 business days that together call for quantities exceeding the limitation in subparagraph (b)(1) or (2) above.
- (c) If this is requirements contract (i.e., includes the Requirements clause at subsection 52.216-21 of the Federal Acquisition Regulation (FAR)), the Government is not required to order a part of any one requirement from the Contractor if that requirement exceeds the maximum-order limitations in paragraph (b) above.
- (d) Notwithstanding paragraphs (b) and (c) of this section, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within two (2) business days after issuance, with written notice stating the Contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.

52.216-22 INDEFINITE QUANTITY (OCT 1995)

- (a) This is an indefinite-quantity contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies or services specified in the Schedule are estimates only and are not purchased by this contract.
- (b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to and including the quantity designated in the Schedule as the "maximum." The Government shall order at least the quantity of supplies or services designated in the Schedule as the "minimum."
- (c) Except for any limitations on quantities in the Order Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.
- (d) Any order issued during the effective period of this contract and not completed within that period shall be completed by the contractor within the time specified in the order. The contract shall govern the contractor's and Government's rights and obligations with respect to that order to the same extent as if order were completed during the contract's effective period; provided, that the contractor shall not be required to make any deliveries under this contract after 10 business days after contract expiration.

52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the contractor within ten (10) days of contract expiration.

52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)

- (a) The Government may extend the term of this contract by written notice to the Contractor within 30 days; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.
- (b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

- (c) The total duration of this contract, including the exercises of any options under this clause, shall not exceed 60 months.

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This solicitation incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

FAR Clauses: <http://www.arnet.gov/far>

HUDAR Clauses: <http://www.hud.gov/cts/ctshudar.html>

HUDAR 2452.237-70 KEY PERSONNEL (APR 1984)

The personnel specified below are considered to be essential to the work being performed under this contract. Prior to diverting any of the specified individuals to other projects, the contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion shall be made by the contractor without the written consent of the Contracting Officer: Provided, that the Contracting Officer may ratify in writing such diversion and such ratification shall constitute the consent of the Contracting Officer required by this clause. This clause may be amended from time to time during the course of the contract to either add or delete personnel, as appropriate.

INDIVIDUAL	POSITION/TITLE/PHONE/FAX/EMAIL
* _____	_____
_____	_____
_____	_____

*contractor to complete

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J - LIST OF ATTACHMENTS

ATTACHMENTS

1. Documentation matrix for approved Automated Underwriting Systems.
2. Underwriting Report: HUD-54118
3. Underwriting Report: HUD-54118-MCR
4. Underwriting Report: HUD-54118-UND
5. Underwriting Report: HUD-54118-VAL
6. Sample Deficiency Comments
7. Case Binder Stacking Order
8. HUD-91322.1
9. Fraud Warning Signals
10. Master Rating Log for Assignment
11. SF LLL, Disclosure of Lobby Activities

ALL ATTACHMENTS ARE AVAILABLE UPON REQUEST.

APPLICABLE PUBLICATIONS AND FORMS. All applicable HUD publications and forms referred to in this solicitation can be obtained by calling 1-800-767-7468. Forms may be downloaded from the Internet, on HUD's website, or HUDCLIPS (see <http://www.hudclips.org>).

CONTRACTOR RESPONSIBILITY FOR APPLICABLE PUBLICATIONS AND FORMS. The contractor shall be responsible for obtaining all applicable publications and forms. It shall be the contractor's responsibility to ensure that all services are conducted according to current HUD publications and forms described in this contract are subject to revision. The GTR/GTM will, to the maximum extent possible, notify the contractor of changes to HUD publications and forms. The contractor shall inquire of the GTR/GTM whenever the contractor believes that the publication or form it is currently using has been superseded. The contractor shall obtain copies of new publications or forms whenever the contractor knows of their existence. The contractor shall be presumed to know of the existence and the content of HUD publications and forms including any changes thereto.

PART IV - REPRESENTATIONS AND INSTRUCTIONS

SECTION K - REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS

K.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. FAR 52.252-2 contains the Internet address for electronic access to the full text of a clause.

52.203-11 CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE
CERTAIN FEDERAL TRANSACTIONS (APR 1991)

K.2 CLAUSES INCORPORATED IN FULL TEXT

52.203-2 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (APR 1985)

(a) The offeror certifies that-

- (1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to-
 - (i) those prices;
 - (ii) the intention to submit an offer; or
 - (iii) the methods or factors used to calculate the prices offered.
- (2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory-

- (1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
- (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above

[Insert full name of person(s) in the offeror's organization responsible for determining

the prices offered in the bid or proposal, and the title of his or her position in the offeror's organization];

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above.

- (c) If the offeror deletes or modifies subparagraph (a)(2) of this provision, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

52.204-3 TAXPAYER IDENTIFICATION (OCT 1998)

- (a) Definitions.

"Common parent," as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

"Taxpayer Identification Number (TIN)," as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

- (b) All offerors are required to submit the information required in paragraphs (d) through (f) of this solicitation provision in order to comply with debt collection requirements of 31 U.S.C. 770(c) and 3325(d), requirements reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the reporting requirements described in FAR 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.
- (c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C.7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.
- (d) Taxpayer Identification Number(TIN).

☐ TIN:_____.

☐ TIN has been applied for.

☐ TIN is not required because:

☐ Offeror is nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or business or fiscal paying agent in the United States;

☐ Offeror is an agency or instrumentality of a foreign government;

☐ Offeror is an agency or instrumentality the Federal government.

(e) Type of Organization.

- ☐ Sole proprietorship;
- ☐ Partnership;
- ☐ Corporate entity (non tax-exempt);
- ☐ Corporate entity (tax-exempt);
- ☐ Government entity (Federal, State, or local),
- ☐ Foreign government;
- ☐ International organization per 26 CFR 1.6049-4;
- ☐ Other _____.

(f) Common Parent.

- ☐ Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.
- ☐ Name and TIN of common parent:

Name _____

TIN _____

52.209-5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED
DEBARMENT, AND OTHER RESPONSIBILITY MATTERS (MAR 1996)

(a)(1) The Offeror certifies, to the best of its knowledge and belief,
that -

(i) The Offeror and/or any of its Principals -

- (A) Are ☐ are not ☐ presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
- (B) Have ☐ have not ☐ within a 3-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of

Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion or receiving stolen property;

- (C) Are ☐ are not ☐ presently indicted for, or otherwise criminally or civilly charged by government entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

(ii) The Offeror has ☐ has not ☐ within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

- (2) "Principals," for the purpose of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of subsidiary, division, or business segment, and similar positions).

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER SECTION 1001, TITLE 18, UNITED STATES CODE.

- (b) The Offeror shall provide immediate written notice to the Contracting Officer if, any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of charged circumstances.
- (c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.
- (d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

52.219-1 SMALL BUSINESS PROGRAM REPRESENTATIONS (MAY 1999)
ALTERNATE I (NOV 1999) ALTERNATE II (NOV 1999)

- (a) (1) The standard industrial classification (SIC) code for this acquisition is 7389.
- (2) The small business size standard is \$5 million.
- (3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.
- (b) Representations.
- (1) The offeror represents as part of its offer that it ☐ is, ☐ is not a small business concern.
- (2) (Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.) The offeror represents, for general statistical purposes, that it ☐ is, ☐ is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.
- (3) (Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.) The offeror represents as part of its offer that it ☐ is, ☐ is not a women-owned small business concern.
- (4) [Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents, as part of its offer, that-

- (i) It ☐ is, ☐ is not a HUBZone small business concern listed, on the date of this representation, on the list of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal place of ownership, or HUBZone employee percentage has occurred since it was certified by the Small Business Administration in accordance with 13 CFR part 126; and
- (ii) It ☐ is, ☐ is not a joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (b)(5)(i) of this provision is accurate for the HUBZone small business concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the HUBZone small business concern or concerns that are participating in the joint venture:_____.] Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.
- (5) [Complete if offeror represented itself as disadvantaged in paragraph (b) (2) of this provision.] The offeror shall check the category in which its ownership falls:
- ☐ Black American
 - ☐ Hispanic American
 - ☐ Native American (American Indians, Eskimos, Aleuts, or Native Hawaiians).
 - ☐ Asian Pacific American (persons with origins from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Laos, Cambodia (Kampuchea), Vietnam, Korea, The Philippines, U.S. Trust Territory of the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, Guam, Samoa, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru).
 - ☐ Subcontinent Asian (Asian-Indian) American (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands or Nepal).
 - ☐ Individual/concern, other than one of the preceding.
- (c) Definitions.
- “Small business concern”, as used in this provision, means a concern, including its affiliates, the is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and the size standard in paragraph (a) of this provision.
- “Women-owned small business concern”, as used in this provision, means a small business concern-
- (1) Which is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
 - (2) Whose management and daily business operations are controlled by one or more women.
- (d) Notice.
- (1) If this solicitation is for supplies and has been set aside, in whole or part, for small business concerns, then the clauses in this solicitation providing notice of the set-aside contains restrictions on the source of the end items to be furnished.
 - (2) Under 15 U.S.C. 645(d), any person who misrepresents a firm’s status as a small or small disadvantaged or women-owned small business concern in order to obtain a contract to

be awarded under the preference programs established pursuant to sections 8(a), 8(d), 9, or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall-

- (i) Be punished by imposition of fine, imprisonment, or both;
- (ii) Be subject to administrative remedies, including suspension and debarment; and
- (iii) Be ineligible for participation in programs conducted under the authority of the Act.

52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (FEB 1999)

The offeror represents that-

- (a) It ☐ has, ☐ has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation;
- (b) It ☐ has, ☐ has not filed all required compliance reports; and
- (c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontractor awards.

52.222-25 AFFIRMATIVE ACTION COMPLIANCE (APR 1984)

The offeror represents that-

- (a) It ☐ has developed and has on file, ☐ has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or
- (b) It ☐ has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

52.223-13 CERTIFICATION OF TOXIC CHEMICAL RELEASE REPORTING (OCT 1996)

- (a) Submission of this certification is a prerequisite for making or entering into this contract imposed by Executive Order 12969, August 8, 1995.-
- (b) By signing this offer, the offeror certifies that-
 - (1) As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13106), the offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA; or-
 - (2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons: (Check each block that is applicable.)-
 - ☐ (i) The facility does not manufacture, process, or otherwise use any toxic chemicals listed under section 313(c) of EPCRA, 42 U.S.C. 11023(c)-

- ☐ (ii) The facility does not have 10 or more full-time employees as specified in section 313(b)(1)(A) of EPCRA, 42 U.S.C. 11023(b)(1)(A);-
- ☐ (iii) The facility does not meet the reporting thresholds of toxic chemicals established under section 313(f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);
- ☐ (iv) The facility does not fall within Standard Industrial Classification Code (SIC) designations 20 through 39 as set forth in Section 19.102 of the Federal Acquisition Regulation; or
- ☐ (v) The facility is not located within any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Northern Mariana Islands, or any other territory or possession over which the United States has jurisdiction.

HUDAR 2452.209-71 LIMITATION ON FUTURE CONTRACTS (FEB 2000)

- (a) The Contracting Officer has determined that this contract may give rise to potential organizational conflicts of interest as defined at FAR Subpart 9.5.
- (b) The nature of the potential conflict of interest is that the contractor or any staff was not involved in any of the previous endorsements for files now being reviewed for final post endorsement technical reviews.
- (c) If the contractor, under the terms of this contract or through the performance of tasks pursuant to this contract, is required to develop specifications or statements of work that are to be incorporated into a solicitation, the contractor shall be ineligible to perform the work described in that solicitation as a prime or first-tier subcontractor under any ensuing HUD contract.
- (d) Other restrictions –any previous work completed on files that are to be reviewed by the post endorsement technical review through this solicitation.
- (e) The restrictions imposed by this clause shall remain in effect until contract expiration.

HUDAR 2452.226-70 CERTIFICATION OF STATUS AS A MINORITY BUSINESS ENTERPRISE (AUG 1995)

Bidder, Offeror or Supplier certifies that he or she ☐ is, ☐ is not, (check one), a minority business enterprise which is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals. For the purpose of this definition, minority group members are:

(Check the box applicable to you)

- ☐ Black Americans
- ☐ Hispanic Americans
- ☐ Native Americans
- ☐ Asian Pacific Americans
- ☐ Asian Indian Americans

AS 1902 SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES (NOV 1997)

In accordance with FAR 52.203-11, above:

- ☐ An SF-LLL, Disclosure of Lobbying Activities, is not required.
☐ An SF-LLL, Disclosure of Lobbying Activities, is required and has been submitted as an attachment to Section K.

<Offeror/Bidder check applicable statement>

AS 1909 DUNS NUMBER (NOV 1997)

The offeror shall supply its Dun and Bradstreet Universal Numbering System (DUNS) number applicable to its name and address. The number is to be inserted in the blank below. Offerors should take care to report the correct DUNS number and not a similar number assigned to the offeror in a different system. The DUNS number is a nine position all-numeric code assigned to a contractor by Dun and Bradstreet. It is distinct from the federal taxpayer identification (TIN) number which is required in a different part of this Section K.

Insert DUNS number here:

OFFEROR'S DUNS NUMBER

AS 1910 SIGNATURE BLOCK (FEB 2000)

By signature below, the bidder/offeror certifies that all Representations and Certifications contained in the solicitation are complete and accurate as required. 18 U.S.C. Section 1001 and the Program Fraud and Civil Remedies Act of 1986 (31 U.S.C. 3801 - 3812) set forth penalties for making false statements in bids/proposals.

Signature

Typed Name and Title

Phone

FAX

Email

Date

SECTION L - INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

L.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. FAR 52.252-2 contains the Internet address for electronic access to the full text of a clause.

52.215-1	INSTRUCTIONS TO OFFERORS-COMPETITIVE ACQUISITION	FEB 2000
52.216-27	SINGLE OR MULTIPLE AWARDS	OCT 1995

L.2 CLAUSES INCORPORATED IN FULL TEXT

52.204-6 DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER (JUN 1999)

- (a) The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" followed by the DUNS number that identifies the offeror's name and address exactly as stated in the offer. The DUNS number is a nine-digit number assigned by Dun and Bradstreet Information Services.
- (b) If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one. A DUNS number will be provided immediately by telephone at no charge to the offeror. For information on obtaining a DUNS number, the offeror, if located within the United States, should call Dun and Bradstreet at 1-800-333-0505. The offeror should be prepared to provide the following information:
 - (1) Company name.
 - (2) Company address.
 - (3) Company telephone number.
 - (4) Line of business.
 - (5) Chief executive officer/key manager.
 - (6) Date the company was started.
 - (7) Number of people employed by the company.
 - (8) Company affiliation.
- (c) Offerors located outside the United States may obtain the location and phone number of the local Dun and Bradstreet Information Services office from the Internet home page at <http://www.customerservice@dnb.com>. If an offeror is unable to locate service center, it may send an e-mail to Dun and Bradstreet at globalinfo@mail.dnb.com.

52.216-1 TYPE OF CONTRACT (APR 1984)

The Government contemplates award of three (3) Indefinite Quantity contracts with firm fixed price line items resulting from this solicitation.

52.233-2 SERVICE OF PROTEST (AUG 1996)

- (a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from:

Hand-Carried Address:

U.S. Department of Housing and Urban Development
Denver Field Contracting Operations, 8ANCP
633 - 17th Street, 14th Floor
Denver, CO 80202-3607
Attention: Gay E. Julian

Mailing Address:

U.S. Department of Housing and Urban Development
Denver Field Contracting Operations, 8 ANCP
633 - 17th Street
Denver, CO 80202-3607
Attention: Gay E. Julian

- (b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):

FAR Clauses: <http://www.arnet.gov/far>

HUDAR Clauses: <http://www.hud.gov/cts/ctshudar.html>

HUDAR 2452.209-70 POTENTIAL ORGANIZATIONAL CONFLICTS OF INTEREST (FEB 2000)

- (a) The Contracting Officer has determined that the proposed contract contains a potential organizational conflict of interest. Offerors are directed to FAR subpart 9.5 for detailed information concerning organizational conflicts of interest.
- (b) The nature of the potential conflict of interest is: If the contractor performed or was involved in the legal work for the foreclosure action which resulted in the acquisition of the title to the property by HUD, performance of the work requirement above shall be considered a conflict of interest, and the contractor shall not perform the review of the title examination. However, the contractor shall remain responsible for having such work performed.
- (c) Offerors shall provide a statement which describes concisely all relevant facts concerning any past, present or planned interest (financial, contractual, organizational, or otherwise) relating to the work to be performed under the proposed contract and bearing on whether the offeror has a possible organizational conflict of interest with respect to:
- (1) Being able to render impartial, technically sound, and objective assistance or advice, or
 - (2) Being given an unfair competitive advantage. The offeror may also provide relevant facts that show how its organizational structure and/or management systems limit its knowledge of possible organizational conflicts of interest relating to other divisions or sections of the organization and how that structure or system would avoid or mitigate such organizational conflict.

- (d) No award shall be made until any potential conflict of interest has been neutralized or mitigated to the satisfaction of the Contracting Officer.
- (e) Refusal to provide the requested information or the willful misrepresentation of any relevant information by an offeror shall disqualify the offeror from further consideration for award of a contract under this solicitation.
- (f) If the Contracting Officer determines that a potential conflict can be avoided, effectively mitigate, or otherwise resolved through the inclusion of a special contract clause, the terms of the clause will be subject to negotiation.

HUDAR 2452.215-70 PROPOSAL CONTENT (OCT 1995)

- (a) Proposals shall be submitted in two physically separate parts as described in paragraphs (b) and (c) below. Each of the parts must be complete in itself so that evaluation of each part may be conducted independently, and so that the technical and management part may be evaluated strictly on its own merit. Proposals shall be enclosed in sealed packaging and addressed to the office specified in the solicitation. The offeror's name and address, the solicitation number and the date and time specified in the solicitation for proposal submission must appear in writing on the outside of the package.
- (b) Proposals shall be submitted in an original and three (3) copies. The proposals shall be accompanied by cover letter providing the following information:
 - 1. The RFP number to which the proposal is addressed.
 - 2. The name and address of the firm submitting the proposal.
 - 3. The name, title, telephone, and fax number of the person(s) preparing the proposal.
 - 4. The name, title, telephone, and fax number of the point of contact for obtaining clarifications, discussions or making contract award, if different from the name(s) in item (3) above.
- (c) Part I shall be divided according to the stated evaluation factors. Pages within each Part shall be numbered consecutively, including any exhibits, attachments, etc.
- (d) The total number of pages contained in Part I shall be limited to 50 pages, exclusive of resumes. A page is considered to be one side of a single sheet of 8 ½ x 11 paper, single spaced, using not smaller than 12 pitch type. Offerors are encouraged to use recycled paper and to use both sides of the paper. (See FAR clause 52.204-4.) In the event the technical proposal exceeds 50 pages, exclusive of resumes, only the first 50 pages of the proposal will be evaluated. Resumes may be included in Factor 1 or as an attachment to the technical proposal.
- (e) Proposals must contain enough detail to allow for a through evaluation and sound determination of whether or not the offeror will be able to perform in accordance with the solicitation's requirements. Offerors should be careful that their proposals are neither too elaborate nor too general; proposals should address this particular solicitation with specific statements relevant to the Statement of Work. The Government considers all unsubstantiated statements such as "The offeror understands and will perform in accordance with the Statement of Work" as being technically unacceptable.
- (f) Part I - Technical and Management Proposal - A separate technical and management proposal (Original and three (3) copies) must be submitted. The proposal shall clearly and sufficiently address the below listed factors (see Section M for description of information to be addressed and applicability):
 - 1. PRIOR EXPERIENCE
 - 2. MANAGEMENT AND OVERSIGHT CAPABILITY
 - 3. TECHNICAL UNDERSTANDING
 - 4. PAST PERFORMANCE

(g) Part II - Business Proposal

1. SF-33, SOLICITATION, OFFER, AND AWARD. Complete the applicable sections of blocks 12 through 18 of the SF-33. In addition, include acknowledgment of any amendments issued in this section.
2. REPRESENTATIONS AND CERTIFICATIONS. Complete the Representation and Certifications included in Section K of the solicitation and include them in this part. In addition, this section should include the Key Personnel from Section I.
3. INFORMATION OTHER THAN COST OR PRICING DATA. This solicitation does not require submission of certified cost or pricing data (see FAR provision at 52.215-20 herein). However, the offeror shall submit sufficient supporting cost information to enable a determination that the offeror has a complete understanding of the requirements to be performed under the contract. The Government may conduct a price realism analysis, which may also be used by the Technical Evaluation Panel in its evaluation of the offeror's understanding of the Government's requirements under one or more of the evaluation factors.
4. PRICE EVALUATION. All offerors shall submit as part of their offer a completed Contractor Price Evaluation Worksheet (See Attachment to Section M), or a similar format of their own for which a proposal is being submitted.
5. MARKING OF ENVELOPE. Proposals shall be enclosed in sealed packaging and addressed to the office specified in Block 7 of the Standard Form 33. Clearly mark the outside of the envelope containing the proposal with the following information:

Mail to the following address:

U.S. Department of Housing and Urban Development
Denver Field Contracting Operations
Denver Placement Branch, 8ANCP
633 17th Street
Denver, CO 80202-3607

Hand Deliver to the following address:

U.S. Department of Housing and Urban Development
Denver Field Contracting Operations
Denver Placement Branch, 8ANCP
633 17th Street, 14th Floor
Denver, CO 80202-3607

Clearly mark the outside of the mailing envelope (including express mail envelopes) containing the written proposal with the following notation and include the date and time of the proposal closing.

RFP NUMBER: R-DEN-01135
ATTN: DONNA L. MYLIUS, CONTRACT SPECIALIST
MAILROOM: DO NOT OPEN

The offeror is cautioned to hand deliver the proposal to the Contract Specialist with adequate time to allow for any delay due to building security requirements.

(h) FACSIMILE PROPOSALS. A facsimile proposal WILL NOT BE ACCEPTED under this solicitation.

L.3 QUANTITY ESTIMATED NOT WARRANTED. While we have provided quantity estimates in this solicitation, HUD only warrants that these are our best good faith estimates at this point in time. HUD does not warrant that these estimates will be accurate should any material changes in policy become effective during the performance of the contract. In submitting a proposal, offerors should take this information into consideration.

L.4 QUESTIONS. Questions must be submitted in writing, and received no later than the close of business August 2, 2000.

SECTION M - EVALUATION FACTORS FOR AWARD

M.1 FAR 52.217-5 EVALUATION OF OPTIONS (JUL 1990)

Except when it is determined in accordance with FAR 17.206(b) not to be the Government's best interests, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).

M.2 SOURCE SELECTION PROCEDURES

- (a) HUD has determined to use the Conventional Source Selection method for this best value analysis - a combined pass/fail and trade off (PFTO) analysis process. HUD anticipates making award of a contract without entering into discussions with offerors; however, HUD reserves the right to engage in discussions if warranted. (See Section L, FAR 52.215-1) In accordance with FAR 15.306(b), HUD may have communications with offerors before establishing a competitive range of offerors with whom to enter into discussions.
- (b) As identified in this solicitation, there are two (2) primary factors which the offeror's technical proposals will be evaluated on a pass - fail basis. These factors are: 1) Prior Experience, 2) Management & Oversight Capability. As a result of failing any one (1) of these factors, the entire proposal may be rated as technically unacceptable and will not be evaluated further. An offer may also be rated as technically unacceptable but capable of being made acceptable through discussions ("capable") or may be rated as technically acceptable (if the offer has no significant deficiencies in their proposal). Offers that are initially rated as "capable" or acceptable shall then be further evaluated qualitatively regarding their Technical Understanding and Past Performance, as reflected in the factors listed in Section L.
- (c) After completion of technical evaluations, if the Contracting Officer (CO) determines to award without conducting discussions with offerors (see paragraph 2a above), then offers rated as "capable" will not be acceptable through discussions). If the CO determines discussions are necessary, then based upon the ratings of each proposal against all the evaluation criteria, the CO will establish a competitive range comprised of the **most highly rated** proposals for which an efficient competition can be conducted.
- (d) After establishing the competitive range, HUD may conduct exchanges of information discussions/negotiations/clarifications). After exchanges are completed, offerors in the competitive range will be requested to submit Proposal Revisions or Final Proposal Revisions (FPR). Upon submission and evaluation of the FPR, a selection decision will be made and a contract will be awarded.
- (e) Regardless of whether or not exchanges take place, the final selection decision will be the result of a tradeoff analysis of Technical Understanding, Past Performance, and price. Technical Understanding and Past Performance will be evaluated and scored on a scale ranging from Unsatisfactory/Very High Performance Risk to Exceptional/Low Performance Risk. Offerors who have no past performance history to evaluate will be provided a neutral rating. The selection official will analyze the pricing proposed and the Technical Understanding and Past Performance ratings to select the overall best value to the Government.

M.3 EVALUATION OF PRICING

The evaluated price for the solicitation will be established by multiplying the unit prices submitted by the estimated quantity for each of the stated performance periods. The estimated cost for each period will then be added to determine the total evaluated contract price.

M.4 RELATIVE IMPORTANCE OF TECHNICAL VERSUS COST/PRICE FACTORS

- (a) The Government will make an award to the responsible offeror whose proposal conforms to the solicitation and is most advantageous to the Government (i.e. that which represents the best value), cost or price and other factors considered. The combined relative merit of the technical factors listed below will be more significant than cost or price in the selection of the contractor. While the cost or price has no established weight, it is a criterion in the overall evaluation of proposals. Furthermore, the proposed cost or price must be considered reasonable and must reflect the proposed technical approach.
- (b) The Government may award a contract to other than the lowest priced offeror. In the event two (2) or more offers are considered to be technically equivalent, the evaluated cost or price will be of primary importance in determining the proposal most advantageous to the Government.

M.5 TECHNICAL EVALUATION FACTORS

The following factors will be used by the Department to evaluate proposals. The offeror should carefully review the Factors for Award. In submitting a response to the Factors for Award, the offeror should provide a full, clear and complete response, carefully checking the Proposal Content Instructions given in Section L of this RFP. The first two factors listed are of equal importance and failure of the offer to be found acceptable for either one of the two factors will render the entire proposal unacceptable and ineligible for award. The final selection decision shall be made by performing a trade off analysis of offers that are technically acceptable for both of the initial factors using only the Technical Understanding and Past Performance evaluation factors and proposed cost/price.

- (a) **Prior Experience.** Offeror provided documented evidence of the offeror's staff performance of the same or substantially similar services as those required by the statement of work, including:
1) Underwriting experience for the entire past three year period prior to the closing date of the solicitation, of which at least one year included FHA underwriting experience and 2) At least one year of experience within the past three years performing valuations of single family (one to four units) properties. Each person proposed to perform the service has the requisite experience. Documented evidence includes resumes of key personnel reflecting the historical facts and work experience of the company's key personnel—what work was performed, where, and who did they perform for, and then adds qualitative judgments about the depth, breadth, and relevancy of experience based upon those observation (evaluation of the quality of the work experience is evaluated under the past performance factor). Resumes also clearly show the employee/subcontractor meeting contract qualification requirements for appraisers and underwriters. Resumes reflect the individual is an employee of the offeror or, if not already an employee, include an attached letter of intent to work for the offeror if awarded the contract. Examples of related experience that would not be considered substantially similar experience are appraising multifamily properties, performing property inspections, and underwriting experience that does not include FHA (indicating a lack of knowledge FHA underwriting guidelines and HUD regulations, including the direct endorsement program).
- (b) **Management and Oversight Capability.** Offeror shall provide adequate information to demonstrate the ability to manage and oversee the work to be performed for each geographic area proposed to ensure quality of performance. Sufficient evidence will include, at a minimum, (1) an acceptable quality control plan, (2) acceptable evidence of a plan to handle conflicting and/or multiple use of resources if employees or subcontractors will be used on other contracts, and (3) an acceptable plan for identifying and managing cases where any organizational or individual conflict of interest might be identified. An acceptable quality control plan will, at a minimum, identify the methods/processes the offeror will use to oversee contract performance to ensure quality and timely performance and to prevent, detect, and correct any deficiencies in contract performance. An acceptable plan for managing conflicting/multiple use of resources will identify all known individuals, including managers, employees and subcontractors, proposed to be used

in any aspect of contract performance, which may be used on multiple contracts, and will reflect sufficient allocations of time the individuals will perform on this contract versus other contracts to ensure acceptable performance. An acceptable plan for managing potential or actual conflicts of interest will ensure that the offeror has a method of establishing whether any potential conflict of interest exists and will reflect how any identified conflict of interest will be resolved to eliminate to the maximum extent possible Government involvement in resolving the conflicts.

- (c) **Technical Understanding.** Offeror submitted a complete technical plan to perform the work which clearly reflects an understanding of the skills and processes needed to perform the work within the required parameters identified the Statement of Work. The plan is detailed sufficiently and clearly outlines how work is to be assigned and addresses time frames within which assignments are to be completed. The plan clearly shows how the projected numbers of staff will perform the estimated quantities of work required in each area proposed, including time-on-task estimates for each function, e.g. valuation review, underwriting review, quality control check, etc.
- (d) **Past Performance.** Offeror is required to submit relevant past performance information sufficient to enable the Government to conduct a performance risk evaluation based upon the past performance of the offeror, participants in teaming arrangements or joint ventures, proposed major subcontractors, and key personnel as it relates to the probability of successfully performing the solicitation requirements. This is a qualitative judgment based upon observations on how well the company, subcontractors, and key personnel performed in the past, based upon information submitted by the offerors as well as additional information obtained by the evaluation panel through other means, including, but not limited to, surveys of references provided by the offeror and past performance data accumulated or provided by other contracting activities. Relevant information would include information on all contracts with the applicable contract numbers (Federal, State, local, and private sector) performed by the contractor, subcontractors (including teaming arrangement, joint ventures, and partnerships, etc.), and key personnel of both the prime contractor and key subcontractors (including any predecessor names the prime or subcontractors may have used) within the past three (3) years. The information to be provided shall include the names of the contractor, subcontractor, and key personnel who were responsible for the overall management and oversight of the contract, the name, address, point of contact, phone number of the customer, a brief description of the work performed, the contract value and how it is relevant to the services to be provided under the statement of work for this solicitation, award and completion dates, and the estimated value of the contract. Primary emphasis will be on evaluating information on most recent performance which is most similar to the services to be provided under the solicitation, but all information may be quality of performance and if management was responsive and/or available to prevent, detect, and resolve problems. Offerors should identify any problems encountered in the performance of the identified contracts and describe actions taken to detect and correct the problems and prevent recurrences. Offerors should also describe the portion of the contract services that are to be performed by proposed subcontractors to ensure a meaningful evaluation of each major subcontractor is performed. In submitting past performance information on its proposed subcontractors, the offeror shall submit a signed consent statement from the proposed subcontractor which will enable the Government to release information obtained, regarding past performance of the subcontractor outside of the information submitted by the offeror, to the offeror, in the event discussions or debriefings are required. Offerors who have no past performance information available will receive neither a favorable nor an unfavorable evaluation for this factor.

INDEPENDENT GOVERNMENT COST ESTIMATE WORKSHEET

Preparer Name:		Signature and Date:		
RFP Number:		Geographic Area:		
DESCRIPTION OF COST ELEMENTS (a)	BASE	RATE (c)	SUBTOTALS (d)	TOTALS (e)
1. DIRECT LABOR - CATEGORIES	Estimated Number of Hours	Hourly Rate (\$)		
Project Manager (1)		\$	\$	
Senior Underwriter (4)		\$	\$	
Junior Underwriter (5)		\$	\$	
Senior Appraiser (3)		\$	\$	
Junior Appraiser (5)		\$	\$	
Quality Control Manager (1)		\$	\$	
Administrative Specialist (3)		\$	\$	
		\$	\$	
TOTAL DIRECT LABOR				\$
2. LABOR OVERHEAD AND FRINGE BENEFITS	Estimated %			
FRINGE BENEFITS	30%	\$		
OVERHEAD	15%	\$		
TOTAL LABOR OVERHEAD				\$
3. TRAVEL				\$
4. SUBCONTRACTS - TYPE/PURPOSE	No. of Hours/Days	Hourly/Daily Rate		
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
TOTAL SUBCONTRACT COSTS				\$
5. OTHER DIRECT COSTS - CATEGORIES				
			\$	
			\$	
			\$	
			\$	
			\$	
TOTAL OTHER DIRECT COSTS				\$
6. CONSULTANTS				\$
7. TOTAL DIRECT COSTS AND OVERHEAD				\$
8. GENERAL AND ADMINISTRATIVE EXPENSE (G&A)		7%		\$
9. TOTAL COSTS				\$
10. PROFIT				\$
11. TOTAL ESTIMATED COST AND PROFIT				\$
12. UNIT PRICE (Block 11 divided by the estimated quantity)				\$

INDEPENDENT GOVERNMENT COST ESTIMATE WORKSHEET - INSTRUCTIONS

Preparer shall complete this worksheet to estimate the total annual costs for performing the contract for the base period of the contract, based upon the estimated quantity in the solicitation. If the option period prices substantially differ from the base period (more than normal inflation allowance e.g. startup costs in the base period), then additional sheets should be prepared for the option periods. Numbers may be rounded to the nearest dollar. This form may be used to compare to prices submitted to help ensure the offeror has a clear understanding of the technical requirements and/or ensure the pricing submitted is consistent with the technical proposal. Information submitted may also be used to help conduct the tradeoff analysis to obtain the best value to HUD. Since the estimated quantities in each geographic area are the same, it is not necessary to submit a separate worksheet for each area.

ITEM 1: Direct Labor

Enter labor by category and skill level (e.g. Project Manager, QC Manager, underwriter, appraiser, clerical, etc.) in column (a). If more than one person is proposed in a category, enter the number of persons in parentheses (e.g. appraiser (5)). Enter the estimated total number of hours for all personnel in the category in which the labor will be required (if 2080 hours per year is the basis for one staff year, then the above example for 5 full time appraisers would be $2080 \times 5 = 10,400$ hours) in column (b). Enter the estimated hourly rate for each labor category in column (c). Multiply the amount in column (b) by the amount in column (c), and enter the product in column (d). Add the amounts in column (d) and enter that total in the row labeled "TOTAL DIRECT LABOR."

ITEM 2: Labor Overhead and Fringe Benefits

Enter the estimated rates (percentages) for fringe benefits and labor overhead in the blanks in column (c). Multiply these percentages by the amount for TOTAL DIRECT LABOR in 1(e) above and enter the results in column (d). Add the two totals and enter the sum in column (e) of the row labeled "TOTAL LABOR OVERHEAD."

ITEM 3: Travel

Enter the total estimate in column (e).

ITEM 4: Subcontracts

For each type of subcontract, enter the estimated number of hours/days in column(b). Enter the hourly/daily rate in column (c). Multiply each rate by the number of hours/days and enter the result in column (d). Add the totals in column (d) and enter the sum in column (e) of the row labeled "TOTAL SUBCONTRACT COSTS."

ITEM 5: Other Direct Costs

Enter each type of cost to be directly incurred and attributable solely to this contract in column (a) and its corresponding total cost in column (d). Add the totals in column (d) and enter the sum in column (e) of the row labeled "TOTAL OTHER DIRECT COSTS."

ITEM 6: Consultants

Enter the sum of the total amounts for all consultants in column (e)

ITEM 7: Total Direct Cost and Overhead

Add the amounts in 1(e) through 6(e) and enter the sum.

ITEM 8: General and Administrative (G&A)

Enter the estimated G&A (sometimes referred to as company overhead) rate in column (c) and multiply it by the amount in 7(e) above. Enter the result in column (e).

ITEM 9: Total Estimated Costs

Add the amounts in 7(e) and 8(e) enter the sum in column (e).

ITEM 10: Profit

Enter the amount percentage of profit appropriate for a fixed unit price contract in (c), multiply the percentage by the amount in 9(e), and enter the calculated amount in column (e).

ITEM 11: Total Estimated Cost and Profit

Add the amounts in 9(e) and 10(e). Enter the sum in column (e). This is the grand total of the Independent Government Cost Estimate for the base period of performance based upon the estimated quantity in the solicitation.

ITEM 12: Unit Price

Divide the amount in 11(e) by the estimated quantity for the area proposed. Round to the nearest dollar.